

Regular Session, 2009

HOUSE BILL NO. 106

BY REPRESENTATIVES GREENE AND HENRY AND SENATORS DONAHUE AND
MICHOT

TAX/INCOME-INDIV/EXEMPT: Provides for a deduction for net capital gains

1 AN ACT

2 To amend and reenact R.S. 47:293(10) and to enact R.S. 47:293(9)(a)(xvii), relative to the
3 individual income tax; to provide for a deduction for net capital gains; to provide for
4 an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:293(10) is hereby amended and reenacted and R.S.
7 47:293(9)(a)(xvii) is hereby enacted to read as follows:

8 §293. Definitions

9 The following definitions shall apply throughout this Part, unless the context
10 requires otherwise:

11 * * *

12 (9)(a) "Tax table income", for resident individuals, means adjusted gross
13 income plus interest on obligations of a state or political subdivision thereof, other
14 than Louisiana and its municipalities, title to which obligations vested with the
15 resident individual on or subsequent to January 1, 1980, and less:

16 * * *

17 (xvii) Income from net capital gains, which is defined as income taxed at the
18 federal capital gains tax rate.

19 * * *

(10) "Tax table income", for nonresident individuals, means the amount of Louisiana income, as provided in this Part, allocated and apportioned under the provisions of R.S. 47:241 through 247, plus the total amount of the personal exemptions and deductions already included in the tax tables promulgated by the secretary under authority of R.S. 47:295, less the proportionate amount of the federal income tax liability, excess federal itemized personal deductions, the temporary teacher deduction, the recreation volunteer and volunteer firefighter deduction, the construction code retrofitting deduction, any gratuitous grant, loan, or other benefit directly or indirectly provided to a taxpayer by a hurricane recovery entity if such benefit was included in federal adjusted gross income, the exclusion provided for in R.S. 47:297.3 for S Bank shareholders, the deduction for expenses disallowed by I.R.C. Section 280C, the deduction for net capital gains, and personal exemptions and deductions provided for in R.S. 47:294. The proportionate amount is to be determined by the ratio of Louisiana income to federal adjusted gross income. When federal adjusted gross income is less than Louisiana income, the ratio shall be one hundred percent.

17 * * *

18 Section 2. The provisions of this Act shall become effective for all taxable periods
19 beginning on or after January 1, 2010.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Greene

HB No. 106

Abstract: Provides for an individual income tax deduction for net capital gains.

Proposed law provides for an individual income tax deduction for income from net capital gains, which is defined as income taxed at the federal capital gains tax rate.

Effective for all taxable periods beginning on or after Jan. 1, 2010.

(Amends R.S. 47:293(10); Adds R.S. 47:293(9)(a)(xvii))